

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Val-A Chicago, Inc.

Chicago Manufacturing Center

Val-A Chicago Expands Market Reach With Great Success

Client Profile:

Val-A Chicago, founded in 1931, is the inventor and manufacturer of Tear Mender™, a waterproof, fast acting adhesive for fabric, leather, and other porous materials. The company, located in Chicago, Illinois, employs less than 20 people.

Situation:

Although Tear Mender was enjoying great success in Japan and on cable television network QVC, company President Jerry Cismoski and Domestic Sales Manager Dominick Bertucci believed the product was not reaching its full potential. They asked the Chicago Manufacturing Center (CMC), a NIST MEP network affiliate, to help them grow the company from its current \$3 million in annual sales to \$10 million within five years.

Solution:

CMC responded with a four-part benchmarking analysis focusing on Val-A Chicago's distribution channels, competitors, customers, and the adhesive retail market. First CMC contacted 30 new distributors to ascertain their interest in carrying Tear Mender. Then CMC identified competitive pressures and best practices, discovered niche opportunities, and determined Val-A Chicago's competitive advantages and disadvantages based on those findings. CMC analyzed the relationship between Val-A Chicago and its clients, measuring attributes such as quality, marketing support, lead times, price, dependability, and customer service responsiveness, among others. Finally, CMC compiled the results of these studies to target expansion opportunities for Val-A Chicago products.

The information gleaned from these benchmarking studies paved the way for CMC's final recommendations, which suggested a three-tier growth strategy. CMC recommended that Val-A Chicago strengthen and expand its brand by focusing on broader markets, brand extensions, and private labeling.

Val-A Chicago was also urged to extend Tear Mender's distribution channels specifically into growing niche industries such as arts and crafts, leather, and general home repair; hire outside sales agents; and add new distributors with a national reach. Lastly, CMC encouraged the company to explore sales opportunities internationally, specifically in Korea, China, South Africa, Germany, and Spain.

In addition, CMC recommended Val-A Chicago streamline its operations by



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creating an eBusiness strategy and improving its information technology infrastructure.

Results:

Hired new customer service representatives.
Improved customer development and retention.
Increased annual sales by \$300,000.
Grew sales per employee by three to four percent.

Testimonial:

"Having the Chicago Manufacturing Center do the benchmarking studies helped improve my understanding of my customers, my markets, and my competitors. That has led to increases in sales."

Jerry Cismoski, President